

AMENDMENTS TO THE CLAIMS

Kindly replace the claims as follows.

1. (currently amended) A method for operating an electronic trading system for the exchange of financial instruments, the method comprising the steps of:

in an electronic trading system designed to receive and store orders to buy and to sell financial instruments as submitted by traders, and substantially as orders are received, to execute trades between matching buy and sell orders, stored buy and sell orders having order matching priority orderings relative to each other reflecting at least one attribute of the order in addition to or instead of price, the order matching priority ordering used by the electronic trading system to determine priority among orders for matching for execution:

receiving a dynamic price improvement order, being an order to buy or sell an identified financial instrument traded on the electronic trading system, whose order matching priority for execution against contraorders is maintained by the electronic trading system at least in part relative to earlier-submitted orders on the same side of the market by adjusting a price associated with the dynamic price improvement order;

receiving orders contra to the dynamic price improvement order, and matching the contra orders to the stored orders on the same side of the market as the dynamic price improvement order substantially as the contra orders are received, the dynamic price improvement order being matched ~~matched~~ to the contra orders with the order matching priority relative to other orders as maintained by the electronic trading system, and

executing transactions substantially as orders and contra orders are matched.

2. (cancelled)

3. (previously presented) The method of claim 1, in which the change includes an increase in the price of the dynamic price improvement order.

4. (previously presented) The method of claim 1, in which the change includes a decrease in the price of the dynamic price improvement order.

5. (currently amended) The method of claim 1, in which the order matching priority of the dynamic price improvement order is a position at a front of a trading stack.

6. (currently amended) The method of claim 1, further comprising the step of:
maintaining order matching priority of the dynamic price improvement order relative to other orders based on a timestamp assigned to the dynamic price improvement order.

7. (currently amended) The method of claim 6, further comprising maintaining the order matching priority based on said timestamp.

8. (previously presented) The method of claim 6, wherein in the event two or more said dynamic price improvement orders are received, the orders with older timestamps are matched prior to orders with newer timestamps.

9. (previously presented) The method of claim 1, wherein:
the electronic trading system reveals orders to users at a fixed price increment, and the price increment at which the price of the dynamic price improvement order is adjusted is a fraction of the revealed price increment.

10. (previously presented) The method of claim 1, wherein:
determining includes determining the price improvement level such that it is one level higher than the next best order in an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

11. (cancelled)

12. (previously presented) The method of claim 1, further comprising the step of:
determining the price improvement level of a best order in an order stack; and assigning a price improvement level to said dynamic price improvement order that improves the price of said dynamic price improvement order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

13. (previously presented) The method according to claim 12, further comprising the step of:
assigning said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

14. (previously presented) The method of claim 1, wherein said dynamic price improvement order is the default order type for designated traders that use a trading interface to submit orders to the electronic trading system.

15. (previously presented) The method of claim 1, further comprising the step of:
providing to traders of the electronic trading system the option to select dynamic price improvement as one of several price improvement order types available for submission to said electronic trading system.

16. (previously presented) The method of claim 1 further comprising:
decreasing the price improvement level of at least one order on the same side of the market as the dynamic price improvement order such that the price improvement level of the at least one same-market-side order does not exceed the price improvement level assigned to the dynamic price improvement order.

17. (previously presented) The method of claim 16, wherein:
the price improvement level of the at least one second order is decreased to a price improvement level one level below a maximum price improvement level when the at least one

price improved order is assigned a maximum price improvement level as its price improvement level.

18. (currently amended) A electronic trading system for the exchange of financial instruments, said system comprising at least one processor, the processor or processors of the system being configured to:

receive and store orders to buy and to sell financial instruments as submitted by traders, and substantially as orders are received, to execute trades between matching buy and sell orders, the stored buy and sell orders having order matching priority orderings relative to each other reflecting at least one attribute of the order in addition to or instead of price, the order matching priority ~~ordering~~ used by the electronic trading system to determine order matching priority among orders for matching for execution;

receive a dynamic price improvement order, being an order to buy or sell an identified a financial instrument traded on the electronic trading system, whose order matching priority for execution against contraorders is maintained by the electronic trading system at least in part relative to earlier-submitted orders on the same side of the market by adjusting a price associated with the dynamic price improvement order;

receive orders contra to the dynamic price improvement order, and match the contra order to the stored orders on the same side of the market as the dynamic price improvement order substantially as the contra orders are received, the dynamic price improvement order being matched ~~matched~~ to the contra orders with the order matching priority relative to other orders as maintained by the electronic trading system, and

execute transactions substantially as orders and contra orders are matched.

19. (cancelled)

20. (previously presented) The system of claim 18, in which the change includes an increase in the price of the dynamic price improvement order.

21. (previously presented) The system of claim 18, in which the change includes a decrease in the price of the dynamic price improvement order.

22. (previously presented) The system of claim 18, in which the order matching priority of the dynamic price improvement order is a position at a front of a trading stack.

23. (previously presented) The system of claim 18, wherein said processor is operative to maintain order matching priority of the dynamic price improvement order relative to other orders based on a timestamp assigned to the dynamic price improvement order.

24. (previously presented) The system of claim 23, wherein said processor is operative to maintain the order matching priority based on said timestamp.

25. (previously presented) The system of claim 18, wherein:
the electronic trading system reveals orders to users at a fixed price increment, and the price increment at which the price of the dynamic price improvement order is adjusted is a fraction of the revealed price increment.

26. (previously presented) The system of claim 18, wherein:
the processor is further operable to adjust the price of the dynamic price improvement order to one level more improved than the next best order in an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

27. (cancelled)

28. (previously presented) The system of claim 18, wherein:
the processor is further operable to determine the price improvement level of a best order in an order stack; and assign a price improvement level to said dynamic price improvement order that improves the price of said dynamic price improvement order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

29. (previously presented) The system of claim 28, wherein said processor is operative to assign said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

30. (previously presented) The system of claim 18, wherein said dynamic price improvement order is the default order type for designated traders that use a trading interface to submit orders to the electronic trading system.

31. (previously presented) The system of claim 18, wherein:
said processor is operative to decrease the price improvement level of at least one order on the same side of the market as the dynamic price improvement order such that the price improvement level of the at least one same-market-side order does not exceed the price improvement level assigned to the dynamic price improvement order.

32. (previously presented) The system of claim 31, wherein the price improvement level of the at least one second order is decreased to a price improvement level one level below a maximum price improvement level when the at least one price improved order is assigned a maximum price improvement level as its price improvement level.

33. (previously presented) The system of claim 18, wherein:
the electronic trading system is operable to providing to traders of the electronic trading system the option to select dynamic price improvement as one of several price improvement order types available for submission to said electronic trading system.

34-38. cancelled.

39. (new) The method of claim 1, in which a contra order matched to the dynamic price improvement order for execution is a lift or take of a standing offer.

40. (new) The method of claim 1, in which a contra order matched to the dynamic price improvement order for execution is a hit of a standing bid.